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C O N F I D E N T I A L27th April, 1960.COCOM Document No. 3973BCOORDINATING COMMITTEEMEMORANDUM BY THE GERMAN DELEGATIONONILLEGAL TRANSACTIONS, ESPECIALLY COBALT DIVERSIONS

The German Delegation wish to draw the attention both of the Coordinating Committee and of the Sub-Committee on Export Controls to the following:

A German firm, who had presented import certificates issued by four Egyptian firms, received several import licences for the shipment of cobalt to Egypt during a period of three months. In each instance however only small quantities were involved. During investigations into another matter, the German authorities experienced some doubt as to the end-use of the cobalt in Egypt. After further enquiries, it was noted that an Egyptian customs clearance declaration issued in Alexandria was false. The ship mentioned in this document was not in the port of Alexandria at the date cited, and the cobalt had never been in the customs warehouse at Alexandria according to the information received from the Egyptian customs authorities. Through diplomatic channels the German authorities requested the Egyptian authorities to investigate the circumstances under which the false customs clearance certificates had been issued. No reply has yet been received from the Egyptian authorities.

Moreover, the German authorities noted that the goods were sent via Basle and Austria to Czechoslovakia on the instructions of a Swiss buyer. The latter had given the order to send parts of the consignment which had arrived in a German port by rail to Basle in transit. He insisted that either Austrian or Yugoslav railway trucks should be used or ones marked "EUROP". In no event should use be made of German or Swiss trucks whose passage could be traced.

From the foregoing, it can be concluded that an attempt was made to violate a control regulation by the accumulation of small orders, using different firms as buyers and receivers and stipulating their delivery by a particular means of transport.

Another attempt to export cobalt illegally was prevented by the vigilance of a German agent. The latter approached the authorities when a suspicious looking individual having the buyer's authorisation (resident in another member country) came to withdraw the goods. In agreement with the authorities, the cobalt was handed to this person who was kept under supervision. The cobalt was transported to a garage where a car with a foreign number plate was awaiting it. At the time when the persons implicated were being questioned, it was learned that the cobalt must have been smuggled in small quantities across the border..

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